

**EXHIBIT B**

**(Amani Decl.)**

**UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF NEW YORK**

In re:

CELSIUS NETWORK LLC, *et al.*,<sup>1</sup>

Debtors.

Chapter 11

Case No. 22-10964 (MG)

(Jointly Administered)

**DECLARATION OF CHRIS AMANI IN SUPPORT OF  
MOTION OF TERRAFORM LABS PTE LTD. FOR LEAVE  
TO SERVE RULE 45 DOCUMENT SUBPOENA(S) ON DEBTORS**

I, Chris Amani, do declare as follows under penalty of perjury pursuant to 28 U.S.C. § 1746, and the below is true and correct to the best of my knowledge, information, and belief:

1. I am the current Chief Operating Officer and Chief Financial Officer of Terraform Labs PTE Ltd (“TFL”). Kwon Do-Hyung (“Mr. Kwon”) co-founded TFL in December 2018 and was initially the chief executive officer of TFL. Mr. Kwon has since departed TFL, after which time I became the Chief Executive Officer.

2. I submit this declaration in support of the *Motion of Terraform Labs PTE Ltd. for Leave to Serve Rule 45 Document Subpoena(s) on Debtors* (“Motion”).<sup>2</sup> The contents of the Motion are true and correct to the best of my knowledge and belief.

3. TFL is a Singaporean open-source software development firm, founded to address the interference of price volatility of cryptocurrencies with the ability to use cryptocurrencies as a

<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtors’ federal tax identification number, are: Celsius Network LLC (2148); Celsius KeyFi LLC (4414); Celsius Lending LLC (8417); Celsius Mining LLC (1387); Celsius Network Inc. (1219); Celsius Network Limited (8554); Celsius Networks Lending LLC (3390); Celsius US Holding LLC (7956); GK8 Ltd. (1209); GK8 UK Limited (0893); and GK8 USA LLC (9450). The location of Debtor Celsius Network LLC’s principal place of business and the Debtors’ service address in these chapter 11 cases is 50 Harrison Street, Suite 209F, Hoboken, New Jersey 07030.

<sup>2</sup> Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Motion.

medium of exchange. In furtherance of its mission, TFL operates a price-stable cryptocurrency and provides financial infrastructure for the next generation of decentralized application. TFL did not operate a market or have customers/customer funds.

4. The Terra protocol relied upon a dual native cryptocurrency token system: a stablecoin TerraUSD (“UST”) and a companion non-stablecoin LUNA. UST and LUNA were designed to maintain a stable price peg—targeting a 1:1 exchange rate—to the U.S. Dollar or other fiat currency. LUNA operated as a stabilization mechanism to maintain the 1:1 UST price peg for UST by minting and burning tokens. TFL also developed two protocols, the Mirror Protocol, which created synthetic assets (Mirrored Assets or “mAssets”) to provide exposure to assets with publicly available price feeds without holding the underlying assets; and Anchor Protocol (“ANC”), a borrowing and saving protocol.

5. In May 2021, the market price of UST declined from its peg to the U.S. Dollar (a “de-pegging”), but later recovered its price peg. I understand that in the SEC Action Complaint, the SEC alleges that Defendants misrepresented the cause of UST’s recovery in May 2021 by claiming that the algorithm was able to restore and maintain the price peg. According to the SEC, the peg recovered because Defendants entered an arrangement with Jump Trading LLC (“Jump”) to purchase substantial amounts of UST to support the price. TFL contends that Jump’s trading did not cause the restoration of the peg in 2021. TFL disputes these allegations.

6. Between March 1, 2022, through May 31, 2022, short sellers likely used the Debtors’ Celsius platform to purchase options and to conduct purchases, sales and related trades of TFL’s cryptocurrencies and other cryptocurrencies to prepare for and use throughout the short attack. Publicly available blockchain data shows that when the short attack began on May 7, 2022 just after 10:00 AM UTC, Celsius accounts transferred and/or sold massive amounts of UST into

liquidity pools, exchanges, and blockchain protocol. This same blockchain data shows these accounts continued to facilitate deposits and transfers of tokens and proceeds in the days following the attack.

7. In May 2022, there was a demonstrably large wave of UST sales, *i.e.*, “a run” on the Anchor protocol, executed by large UST holder(s) via multiple platforms, wallets/accounts, and assets, including Terra-native tokens (UST, LUNA, MIR, mAssets, and ANC) and non-native tokens (BTC, USDT, USDC, etc).

8. On May 7, 2022, unknown large UST holders started a flood of “sell orders” for UST, resulting in withdrawals of over \$2 billion worth of UST from the Anchor Protocol. One of the largest of these initial withdrawals was precipitated by a Celsius account with the wallet address 0x4b5e60cb1cd6c5e67af5e6cf63229d1614bb781c. This address withdrew over \$125 million worth of UST from Anchor and subsequently transferred over \$150 million worth of UST from the Terra network to Ethereum, resulting in the collection of hundreds of millions of dollars in proceeds via swaps for USDC. Hundreds of millions of U.S. Dollars of UST were quickly liquidated, decreasing the UST price slightly below its peg. As other UST holders monitored the blockchain, they withdrew their Anchor holdings and/or quickly redeemed their UST for Luna, creating an explosion in the supply of Luna. The sudden increase in UST sell orders made it more difficult to match them with corresponding “buy” orders, which created more downward price pressure on UST, causing it to depeg.

9. On May 9, 2022, the rate of Anchor withdrawals intensified as the market capitalization of LUNA became equal to the outstanding UST supply. The value of UST dropped to \$0.75.

10. By the end of May 13, Anchor had fewer than 2 billion UST remaining, and the

value of UST had declined to below \$0.2. Although LFG and TFL expended billions of U.S. Dollars attempting to defend the UST peg, the sell pressure overwhelmed the resources available to defend the peg and both coins lost the majority of their values.

11. I understand that on July 13, 2022 (the “Petition Date”), each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. *See* ECF No. 2. The Debtors are operating their businesses and managing their property as debtors in possession pursuant to §§ 1107(a) and 1108 of the Bankruptcy Code. *Id.*

12. On February 16, 2023, the SEC commenced a lawsuit against TFL and its chief executive officer in the United States District Court for the Southern District of New York (“District Court”), captioned *Securities and Exchange Commission v. Terraform Labs PTE. Ltd. And Do Hyeong Kwon*, Civ. No. 1:23-cv-01346-JSR (S.D.N.Y.) (the “SEC Action”). No Debtor is a party to the SEC Action, no action is being sought against any Debtor in the SEC Action, and the SEC Action is wholly unrelated to the Debtors.

13. I understand that the SEC Action Complaint alleges that between April 2018 through May 2022, TFL and Mr. Kwon offered and sold what the SEC calls an inter-connected suite of “crypto asset securities” in violation of the U.S. Securities Act and the Exchange Act. I further understand that the SEC asserts, *inter alia*, that the fraudulent scheme it alleges was perpetrated by TFL and Mr. Kwon led to the loss of \$40 billion in market value in the May 2022 depeg. However, TFL intends to assert the defense that the depeg was due to an intervening causal event—the short—such that neither TFL nor Mr. Kwon may be held liable.

14. TFL is actively engaged in defending the SEC Action, which TFL submits is without merit. In order to effectively defend itself against the SEC Action, TFL requires certain narrow records of trading activity in the Debtors’ possession focused around specific wallet

information on the Debtors' platform used during a three-month period between March 1, 2022, to May 31, 2022, in addition to other information related to short attacks. I believe the necessary limited discovery includes information about wallets used by Jump to trade UST or LUNA on these exchanges from May 1 to May 31, 2021 and May 1 to May 31, 2022; wallets and trading accounts used to deposit/transfer/trade Terra assets used by third parties from March 1 to May 31, 2022; other wallets and trading accounts that could have been used by these or other parties engaging in short selling of these assets; their balances/holdings; and identities of owners/controllers for the period between January 1, 2018 to the present ("Subpoena Period").

15. TFL cannot obtain—and Debtors cannot provide—such information by any other means. TFL seeks to discover these narrow records solely as they pertain to claims and defenses of TFL in connection with the SEC Action.

I declare under penalty of perjury that the foregoing is true and correct. Executed on July 27, 2023.

DocuSigned by:

*Chris Amani*

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Chris Amani